

18. USER CHARGES AND OTHER COLLECTIONS

In addition to collecting taxes and other receipts by the exercise of its sovereign powers, which is discussed in the previous chapter in this volume in Chapter 17, “Federal Receipts,” the Federal Government collects income from the public from market-oriented activities and the financing of regulatory expenses. These collections are classified as user charges, and examples of these charges include the sale of postage stamps and electricity, charges for admittance to national parks, premiums for deposit insurance, and proceeds from the sale of assets, such as rents and royalties for the right to extract oil from the Outer Continental Shelf.

Depending on the laws that authorize the user charges, most are credited to expenditure accounts as “offsetting collections,” or to receipt accounts as “offsetting receipts.” The budget refers to these amounts as “offsetting” because they are subtracted from gross outlays rather than added to taxes on the receipts side of the budget. The purpose of this treatment is to produce budget totals for receipts, outlays, and budget authority in terms of the amount of resources allocated governmentally, through collective political choice, rather than through the market.¹ In addition, some regulatory fees therefore are classified as governmental receipts and are on the receipts side of the budget.

Usually offsetting collections are authorized to be spent for the purposes of the account without further action by the Congress. Offsetting receipts may or may not be earmarked for a specific purpose, depending on the legislation that authorizes them. When earmarked, the authorizing legislation may either authorize them to be spent without further action by the Congress, or require them to be appropriated in annual appropriations acts before they can be spent.

Offsetting collections and receipts include most user charges, which are discussed below, as well as some amounts that are not user charges. Table 18–1 summarizes these transactions. For 2009, total offsetting collections and receipts from the public are estimated to be \$330.2 billion, and total user charges are estimated to be \$256.1 billion.

The following section discusses user charges and the Administration’s user charge proposals. The subsequent section displays more information on offsetting collections and receipts. The offsetting collections and receipts by agency are displayed in Table 21–1, which appears in Chapter 21, “Outlays to the Public, Gross and Net,” of this volume. Collections specifically related to credit programs are discussed in Chapter 7, “Credit and Insurance.”

Table 18–1. GROSS OUTLAYS, USER CHARGES, OTHER OFFSETTING COLLECTIONS AND RECEIPTS FROM THE PUBLIC, AND NET OUTLAYS

(In billions)

	Actual 2007	Estimate	
		2008	2009
Gross outlays	3,050.9	3,269.6	3,437.6
Offsetting collections and receipts from the public:			
User charges ¹	229.5	248.0	252.1
Other	91.2	90.4	78.1
Subtotal, offsetting collections and receipts from the public	320.7	338.4	330.2
Net outlays	2,730.2	2,931.2	3,107.4

¹ Total user charges are shown below. They include user charges that are classified on the receipts side of the budget in addition to the amounts shown on this line. For additional details of total user charges, see Table 18–2, “Total User Charge Collections.”

Total user charges:			
Offsetting collections and receipts from the public	229.5	248.0	252.1
Receipts	3.9	3.5	4.0
Total, User charges	233.3	251.5	256.1

¹ Showing collections from business-type transactions as offsets on the spending side of the budget follows the concept recommended by the *Report of the President’s Commission*

on *Budget Concepts in 1967*. The concept is discussed in Chapter 26: “The Budget System and Concepts” in this volume.

USER CHARGES

I. Introduction and Background

The Federal Government often assesses user charges on those who benefit directly from a particular activity or those subject to regulation. Based on the definition used in this chapter, Table 18–2 shows that user charges were \$233.3 billion in 2007, and are estimated to increase to \$251.5 billion in 2008 and to \$256.1 billion in 2009, growing to an estimated \$303.8 billion in 2013, including the user charges proposals that are shown in Table 18–3. This table shows that the Administration's user charge proposals, including extension of expiring charges, would increase user charges by an estimated \$4.5 billion in 2009, growing to an estimated \$19.7 billion in 2013.

Definition. User charges are fees, charges, and assessments levied on individuals or organizations directly benefiting from, or subject to regulation by, a Government program or activity. In addition, the payers of the charge must be limited to those benefiting from, or subject to regulation by, the program or activity, and may not include the general public, and generally does not apply to a broad segment of the public (such as those who pay income taxes or customs duties).

- Examples of business-type or market-oriented user charges include charges for the sale of postal services (the sale of stamps), electricity (e.g., sales by the Tennessee Valley Authority), proceeds from the sale of goods by defense commissaries, payments for Medicare voluntary supplemental medical insurance, life insurance premiums for veterans, recreation fees for parks, and proceeds from the sale of assets (property, plant, and equipment) and natural resources (such as timber, oil, and minerals).
- Examples of regulatory and licensing user charges include charges for regulating the nuclear energy industry, bankruptcy filing fees, immigration fees, food inspection fees, passport fees, and patent and trademark fees.

The “user charges” concept used here aligns these estimates with the concept that establishes policy for charging prices to the public for the sale or use of goods, services, property, and resources (see OMB Circular No. A–25, “User Charges,” July 8, 1993).

User charges do not include all offsetting collections and receipts from the public, such as repayments received from credit programs; interest, dividends, and other earnings; payments from one part of the Federal Government to another; or cost sharing contributions. Nor do they include earmarked taxes (such as taxes paid to social insurance programs or excise taxes on gasoline), or customs duties, fines, penalties, and forfeitures.

Alternative definitions. The definition used in this chapter is useful because it is similar to the definition used in OMB Circular No. A–25, “User Charges,” which provides policy guidance to Executive Branch agencies

on setting prices for user charges. Alternative definitions may be used for other purposes. Much of the discussion of user charges below—their purpose, when they should be levied, and how the amount should be set—applies to these alternatives as well.

Other definitions of user charges could, for example:

- be narrower than the one used here, by limiting the definition to proceeds from the sale of goods and services (and excluding the sale of assets), and by limiting the definition to include only proceeds that are earmarked to be used specifically to finance the goods and services being provided. This definition is similar to one the House of Representatives uses as a guide for purposes of committee jurisdiction. (See the *Congressional Record*, January 3, 1991, p. H31, item 8.)
- be even narrower than the user fee concept described above, by excluding regulatory fees and focusing solely on business-type transactions.
- be broader than the one used in this chapter by including beneficiary- or liability-based excise taxes, such as gasoline taxes.²

What is the purpose of user charges? The purpose of user charges is to improve the efficiency and equity of certain Government activities, and to reduce the burden on taxpayers to finance activities whose benefits accrue to a relatively limited number of people, or to impose a charge on activities that impose a cost on the public.

User charges that are set to cover the costs of production of goods and services can provide efficiency in the allocation of resources within the economy. They allocate goods and services to those who value them the most, and they signal to the Government how much of the goods or services it should provide. Prices in private, competitive markets serve the same purposes.

User charges for goods and services that do not have special social benefits improve equity, or fairness, by requiring that those who benefit from an activity are the same people who pay for it. The public perceives user charges as fair because those who benefit from the good or service pay for it in whole or in part, and those who do not benefit do not pay.

When should the Government charge a fee? Discussions of whether to finance spending with a tax or a fee often focus on whether the benefits of the activity are to the public in general or to a limited group of people. In general, if the benefits accrue broadly to the public, then the program should be financed by taxes paid by the public; in contrast, if the benefits

²Beneficiary- and liability-based taxes are terms taken from the Congressional Budget Office, *The Growth of Federal User Charges*, August 1993, and updated in October 1995. In addition to gasoline taxes, examples of beneficiary-based taxes include taxes on airline tickets, which finance air traffic control activities and airports. An example of a liability-based tax is the excise tax that formerly helped fund the hazardous substance superfund in the Environmental Protection Agency. This tax was paid by industry groups to finance environmental cleanup activities related to the industry activity but not necessarily caused by the payer of the fee.

accrue to a limited number of private individuals or organizations, then the program should be financed by charges paid by the private beneficiaries. For Federal programs where the benefits are entirely public or entirely private, applying this principle is relatively easy. For example, according to this principle, the benefits from national defense accrue to the public in general and should be (and are) financed by taxes. In contrast, the benefits of electricity sold by the Tennessee Valley Authority accrue exclusively to those using the electricity, and should be (and are) financed by user charges.

In many cases, however, an activity has benefits that accrue to both public and to private groups, and it may be difficult to identify how much of the benefits accrue to each. Because of this, it can be difficult to know how much of the program should be financed by taxes and how much by fees. For example, the benefits from recreation areas are mixed. Fees for visitors to these areas are appropriate because the visitors benefit directly from their visit, but the public in general also benefits because these areas protect the Nation's natural and historic heritage now and for posterity.

As a further complication, where a fee may be appropriate to finance all or part of an activity, some consideration must be given to the ease of administering the fee.

What should be the amount of the fee? For programs that have private beneficiaries, the amount of the charge should depend on the costs of producing the goods or services and the portion of the program that is for private benefits. If the benefit is primarily private and any public benefits are incidental, current policies support charges that cover the full cost to the Government, including both direct and indirect costs. When the Government is not acting in its capacity as sovereign and engages in a business-type transaction (i.e., leasing or selling goods, services, or resources), market price should be the basis for establishing the fee.³

The Executive Branch is working to put cost accounting systems in place across the Government that would make the calculation of full cost more feasible. The difficulties in measuring full cost are associated in part with allocating to an activity the full costs of capital, retirement benefits, and insurance, as well as other Federal costs that may appear in other parts of the budget. Guidance in the Statement of Federal Financial Accounting Standards No. 4, "Managerial Cost Accounting Standards" for the Federal Government (July 31,

1995), should underlie cost accounting in the Federal Government.

Classification of user charges in the budget. As shown in Table 18–1, most user charges are classified as offsets to outlays on the spending side of the budget, but a few are classified on the receipts side of the budget. An estimated \$4.0 billion in 2009 are classified on the receipts side and are included in the totals described in Chapter 17. "Federal Receipts." They are classified as receipts because they are regulatory charges collected by the Federal Government by the exercise of its sovereign powers. Examples include filing fees in the United States courts, agricultural quarantine inspection fees, and passport fees. These regulatory charges are unlike user fees classified as offsets to outlays, which are normally for identifiable goods or services whose benefits primarily fall to the party paying the fee and for which alternatives may exist in the private sector or State and local sector.

The remaining user charges, an estimated \$252.1 billion in 2009, are classified as offsetting collections and receipts on the spending side of the budget. Some of these are collected by the Federal Government by the exercise of its sovereign powers and conceptually would appear on the receipts side of the budget, but are required by law to be classified on the spending side as offsetting collections or receipts. Examples of these fees include immigration examination fees, U. S. customs processing fees, and nuclear regulatory fees.

As shown in Table 18–4, an estimated \$157.2 billion of user charges for 2009 are credited directly to expenditure accounts, and are generally available for expenditure when they are collected, without further action by the Congress. An estimated \$94.9 billion of user charges for 2009 are deposited in offsetting receipt accounts, and are available to be spent only according to the legislation that established the charges.

As a further classification, the accompanying Tables 18–2 and 18–3 identify the user charges as discretionary or mandatory. These classifications are terms from the Budget Enforcement Act of 1990 as amended and are used frequently in the analysis of the budget. "Discretionary" in this chapter refers to user charges generally controlled through annual appropriations acts and under the jurisdiction of the appropriations committees in the Congress. "Mandatory" refers to user charges controlled by permanent laws and under the jurisdiction of the authorizing committees.

These and other classifications are discussed further in this volume in Chapter 26, "The Budget System and Concepts."

II. TOTAL USER CHARGES

As shown in Table 18–2, total user charge collections (including those proposed in this Budget) are estimated

to be \$256.1 billion in 2009, increasing to \$303.8 billion in 2013. User charge collections by the Postal Service

³Policies for setting user charges are promulgated in OMB Circular No. A–25: "User Charges" (July 8, 1993).

Table 18-2. TOTAL USER CHARGE COLLECTIONS

(In millions of dollars)

	Actual 2007	Estimates					
		2008	2009	2010	2011	2012	2013
Receipts							
Judicial Branch: Filing fees, U. S. courts	189	189	193	209	214	219	224
Department of Agriculture: Agricultural quarantine inspection fees	472	537	560	577	594	612	630
Department of the Interior: Abandoned mine reclamation fund	305	295	299	305	315	317	287
Department of State: Immigration, passport, and consular fees	1,067	821	915	1,036	1,033	1,029	1,029
Department of the Treasury: Premiums, terrorism risk insurance program .....	.....	.....	116	327	554	1,336	773
Corps of Engineers: Harbor maintenance fees	1,262	1,353	1,446	1,556	1,685	1,825	1,969
Other	562	330	446	402	408	443	415
Subtotal, receipts	3,857	3,525	3,975	4,412	4,803	5,781	5,327
Offsetting Collections and Receipts from the Public							
Discretionary							
Department of Agriculture: Food safety inspection and other charges	299	292	307	285	289	288	290
Department of Commerce: Patent and trademark, fees for weather services, and other charges	1,929	2,050	2,209	2,334	2,509	2,770	3,029
Department of Defense: Commissary and other charges	10,290	10,301	10,296	10,285	10,285	10,285	10,285
Department of Energy: Federal Energy Regulation Commission, power marketing, and other charges	998	1,601	1,548	1,486	1,499	1,492	1,484
Department of Health and Human Services: Food and Drug Administration, Centers for Medi- care and Medicaid Services, and other charges	1,329	1,501	1,398	1,247	1,256	1,250	1,246
Department of Homeland Security: Border and Transportation Security and other charges	2,474	2,258	2,486	2,551	2,636	2,724	2,815
Department of the Interior: Minerals Management Service and other charges	660	723	858	815	841	835	817
Department of Justice: Charges for bankruptcy oversight and other charges	293	370	293	281	284	282	281
Department of State: Passport and other charges	1,189	2,138	2,216	2,283	2,353	2,424	2,498
Department of Transportation: Pipeline safety, aviation, and other charges	158	161	221	8,763	9,064	9,606	10,167
Department of the Treasury: Sale of commemorative coins and other charges	2,430	2,762	2,741	2,631	2,654	2,641	2,627
Department of Veterans Affairs: Medical care and other charges	2,334	2,448	2,579	2,738	2,851	2,959	3,136
General Services Administration: Federal buildings fund and other charges	155	82	42	40	41	40	40
Social Security Administration: State supplemental fees, supplemental security income	119	135	145	159	184	166	193
Federal Communications Commission: Regulatory fees	381	397	423	407	409	408	405
Federal Trade Commission: Regulatory fees	167	165	191	183	185	184	183
Nuclear Regulatory Commission: Regulatory fees	669	779	855	825	832	830	828
Securities and Exchange Commission: Regulatory fees	1,539	1,147	1,332	1,280	1,291	1,286	1,280
All other agencies, discretionary user charges	783	330	170	162	163	162	159
Subtotal, discretionary user charges	28,196	29,640	30,310	38,755	39,626	40,632	41,763
Mandatory							
Department of Agriculture: Crop insurance and other charges	2,053	1,983	3,054	3,057	2,956	2,874	2,875
Department of Defense: Commissary surcharge and other charges	992	816	779	599	601	558	558
Department of Energy: Proceeds from the sale of energy, nuclear waste disposal, and other charges	4,540	4,559	4,689	4,500	4,636	4,609	4,499
Department of Health and Human Services: Medicare Part B and Part D insurance premiums and other charges	55,017	59,325	62,187	64,196	67,302	71,418	77,408
Department of Homeland Security: Customs, immigration, and other charges	7,715	8,671	9,230	9,060	9,390	9,677	9,547
Department of the Interior: Recreation and other charges	4,892	5,666	6,552	7,799	6,481	5,894	6,604
Department of Justice: Federal Prison Commissary fees and other charges	508	528	570	584	597	611	625
Department of Labor: Insurance premiums to guaranty private pensions and other charges	3,629	3,830	5,296	7,697	8,436	8,970	9,313
Department of the Treasury: Bank regulation, and other charges	1,077	1,137	1,197	1,242	1,284	1,329	1,376
Department of Veterans Affairs: Veterans life insurance and other charges	2,374	2,342	2,220	2,222	2,194	2,224	2,220
Office of Personnel Management: Federal employee health and life insurance fees	11,652	12,309	13,023	13,912	14,943	15,880	16,994
Federal Deposit Insurance Corporation: Deposit insurance and other charges	592	5,546	9,947	13,141	14,462	14,426	13,865
National Credit Union Administration: Credit union share insurance and other charges	440	390	434	446	453	481	500
Postal Service: Fees for postal services	73,891	76,961	78,322	80,395	82,784	84,822	86,254
Tennessee Valley Authority: Proceeds from the sale of energy	9,451	10,106	10,523	10,573	10,124	10,509	10,619
Undistributed Offsetting Receipts:							
Department of Commerce: Digital television transition and public safety fund .....	.....	11,800	2,058	.....	.....	.....	.....
Department of the Interior: Arctic National Wildlife Refuge, lease bonuses .....	.....	.....	.....	7,004	4	1,006	6
Executive Office of the President: Spectrum relocation receipts	6,850	.....	.....	.....	.....	.....	.....
Federal Communications Commission: Spectrum auction receipts	6,850	300	200	200	175	220	215
Outer Continental Shelf receipts and other collections	6,763	11,200	10,369	10,675	11,131	11,166	12,014
All other agencies, mandatory user charges	1,990	845	1,118	1,143	1,186	1,195	1,249
Subtotal, mandatory user charges	201,276	218,314	221,768	238,445	239,139	247,869	256,741
Subtotal, user charges that are offsetting collections and receipts from the public	229,472	247,954	252,078	277,200	278,765	288,501	298,504
TOTAL, User charges	233,329	251,479	256,053	281,612	283,568	294,282	303,831

and for Medicare premiums are the largest and are estimated to be more than half of total user charge collections in 2009.

III. USER CHARGE PROPOSALS

As shown in Table 18–3, the Administration is proposing new or increased user charges, including proposed extensions of expiring charges, that would increase collections by an estimated \$4.5 billion in 2009, increasing to \$19.7 billion in 2013. These amounts are collections and receipts only. They do not include related spending.

A. Discretionary User Charge Proposals

1. Offsetting collections

Department of Agriculture: Forest Service

Fees for ecosystem services. The Budget reflects the President's commitment to cooperative conservation and includes Ecosystems Services Demonstration Projects that bring new partners together with the Forest Service in a broad effort to advance market-based conservation. The Budget provides the Secretary of Agriculture with the authority to retain the proceeds of payments made by willing entities such as municipalities for services derived from a particular set of management activities that restore, enhance, and protect ecosystem function on National Forest System lands. Examples of the outcomes of these management activities include protecting water quality, restoring long leaf pine forests, or reducing the risk of catastrophic wildfires.

Department of Defense (DOD)

Medical care enrollment fees and deductible. The Budget gives DOD the authority to increase enrollment fees and deductibles for military retirees under age 65 (and families). The new cost shares differ for officer and enlisted retirees and for those in the different types of plans. The Budget also assumes that retail pharmacy co-payments for all military retirees will increase. None of these changes apply to active-duty members and their dependents. DOD will take into account the recommendations of the DOD Task Force on the Future of Military Health Care before final implementation. The total 2009 savings for these proposals is estimated to be \$1,184 million.

Department of Health and Human Services: Food and Drug Administration (FDA)

Drug review user fees for generic animal drugs. The purpose of the user fee is to improve review times of generic animal drug applications. The Budget proposes a new user fee to generate additional resources to support FDA generic animal drug review activities. The proposed generic drug user fee would be targeted to improve review times and reduce the current backlog of generic animal drug applications.

Generic drug review activities fees. Generic drugs play an important role in reducing the cost of pharma-

ceuticals. The Budget proposes a new user fee to generate additional resources to support FDA's generic drug review activities. Similar to the purpose of FDA's current prescription drug user fees, the proposed generic drug user fee would be targeted towards improving review times and reducing the current backlog of applications.

Follow-on biologics user fees. The Budget proposes to establish a new regulatory pathway for FDA to approve follow-on biologics (FOB). FOBs are generic versions of therapies that contain proteins derived from living cells. The Administration proposal would protect patient safety, promote innovation, and include a financing structure to cover the costs of this activity through user fees. The 2009 Budget does not include user fee estimates.

Animal drug user fee reauthorization. The Animal Drug User Fee Act will expire on October 1, 2008. This law authorizes FDA to assess and collect fees associated with the pre-market review of animal drugs. The Administration supports reauthorizing the collection and spending of these fees.

Centers for Medicare and Medicaid Services

Survey and certification user fees. The Budget proposes a user fee for the survey and certification program within the Centers for Medicare and Medicaid Services. The agency would charge facilities participating in Medicare and Medicaid a fee for conducting follow-up surveys, which verify that they have taken appropriate action to correct identified deficiencies in compliance with specific Federal health, safety, and quality standards.

Department of the Interior

Bureau of Land Management: Repeal Energy Act fee prohibition. A last-minute addition to the 2005 Energy Policy Act prohibited the Bureau of Land Management from implementing new user fees for oil and gas permit processing and instead diverted existing rental receipts to make up for the lost program funding. The Budget proposes to repeal these changes and substitute user fees for the mandatory funding provided by the Act. The proposed fees are expected to generate at least \$34 million per year beginning in 2009, thereby reducing the cost to taxpayers for operating a program that benefits specific users. Notwithstanding the fee prohibition, a comparable oil and gas permitting fee was enacted as part of the 2008 Consolidated Appropriations Act, but this fee is only in place for fiscal year 2008. The Administration is proposing a more permanent solution through a repeal of the Energy Policy Act fee prohibition.

Table 18-3. USER FEE AND OTHER USER CHARGE PROPOSALS ¹

(Estimated collections in millions of dollars)

	2008	2009	2010	2011	2012	2013	2009-2013
OFFSETTING COLLECTIONS AND RECEIPTS							
DISCRETIONARY:							
<i>1. Offsetting collections</i>							
Department of Agriculture							
Forest Service: Fees for ecosystem services		10					10
Department of Defense							
Medical care enrollment fees and deductible		1,184	2,598	3,703	4,043	4,397	15,925
Department of Health and Human Services							
Food and Drug Administration:							
Drug review user fees for generic animal drugs		5	5	5	5	5	25
Generic drug review activities fees		17	17	17	17	17	84
Follow-on biologics user fees							
Animal drug user fee reauthorization		14	14	14	14	15	70
Centers for Medicare and Medicaid Services: Survey and certification user fees		35	34	34	34	34	171
Department of the Interior							
Bureau of Land Management: Repeal Energy Act fee prohibition		34	34	34	34	34	170
Department of Transportation							
Federal Aviation Administration: User fee proposal			8,550	8,849	9,392	9,953	36,744
<i>2. Offsetting receipts</i>							
Department of Housing and Urban Development							
Office of Federal Housing Enterprise Oversight		-67	-64	-65	-65	-70	-331
Subtotal, discretionary user charge proposals		1,232	11,187	12,590	13,473	14,384	52,867
MANDATORY:							
<i>1. Offsetting collections</i>							
Department of Labor							
Pension Benefit Guaranty Corporation premiums		380	2,217	2,093	2,127	2,056	8,873
Federal Housing Enterprise Regulator							
Government-Sponsored Enterprises regulatory fee		107	110	113	116	119	565
Federal Housing Finance Board							
Federal Home Loan Bank fees		-38	-40	-41	-43	-43	-205
<i>2. Offsetting receipts</i>							
Department of Agriculture							
Food Safety and Inspection Service user fees ²		96	98	100	102	104	500
Grain, Inspection, Packers, and Stockyards Administration user fees ²		27	30	30	31	32	150
Animal and Plant Health Inspection Service user fees ²		20	27	27	28	29	131
Agricultural Marketing Service inspection and grading services		10	10	10	10	10	50
Federal crop insurance fees ²			15	15	15	15	60
Department of Health and Human Services							
Food and Drug Administration: Re-inspection fees and export certification fees ²		27	28	28	29	30	142
Centers for Medicare and Medicaid: Additional Medicare premiums		410	730	1,000	1,320	1,720	5,180
Department of Homeland Security							
Passenger security fee surcharge to fund baggage screening systems		426	426	426	426		1,704
Department of Housing and Urban Development							
Government-Sponsored Enterprises oversight fees		6	6	6	6	6	30
Department of the Interior							
Arctic National Wildlife Refuge lease bonuses:							
Collections for payment to Alaska			3,502	2	503	3	4,010
Collections deposited in the Treasury			3,502	2	503	3	4,010
Require upfront payment of coal bonus bid receipts:							
Collections for payment to States		385	676	-48	-506	-225	282
Collections deposited in the Treasury		385	676	-48	-506	-225	282
Amend Bureau of Land Management's Federal land sale authority		5	10	50	50	55	170
Department of Labor							
Foreign labor certification fees		95	95	95	95	95	475
Department of Veterans Affairs							
Pharmacy co-pay increase ²		335	292	287	334	355	1,603
Income-based medical care enrollment fees ²			129	127	130	128	514
Third-party insurance co-payment offset ²		44	44	44	43	43	218
Corps of Engineers—Civil Works							
Additional recreation fees		9	17	17	17	17	77
Environmental Protection Agency							
Pesticide user fees ²		48	48	47	47	59	249
Pre-manufacture notice user fees ²		4	8	8	8	8	36

Table 18-3. USER FEE AND OTHER USER CHARGE PROPOSALS¹—Continued

(Estimated collections in millions of dollars)

	2008	2009	2010	2011	2012	2013	2009–2013
Commodity Futures Trading Commission							
Transaction fees ²		96	100	103	107	111	517
Federal Communications Commission							
Spectrum license fee authority	50	150	300	300	400	450	1,600
Prospective ancillary terrestrial component spectrum license fees	30	60	100	125	125	125	535
Extend spectrum auction authority					200	200	400
Domestic satellite spectrum auctions	250	100	100	75	20	15	310
Subtotal, mandatory user charge proposals	330	3,187	13,256	4,993	5,737	5,295	32,468
Subtotal, user charge proposals that are offsetting collections and receipts	330	4,419	24,443	17,583	19,210	19,679	85,335
GOVERNMENTAL RECEIPTS							
Department of the Interior							
Migratory bird hunting and conservation stamps		14	14	14	14	14	70
Department of Transportation							
Federal Aviation Administration overflight fees			–54	–56	–58	–60	–228
Corps of Engineers—Civil Works							
Inland waterways trust fund (net impact)		99	103	104	136	103	545
Subtotal, governmental receipts user charge proposals		113	63	62	92	57	387
Total, user charge proposals	330	4,532	24,506	17,645	19,302	19,736	85,722

¹ A negative sign indicates a decrease in collections.² If enacted, the Administration will work to classify the collections as discretionary offsets beginning in 2010.

Department of Transportation: Federal Aviation Administration (FAA)

User fee proposal. The Budget includes a reauthorization proposal that would make the Federal Aviation Administration's financing system more cost-based. The FAA's current excise tax system, which generated \$11.5 billion in 2007, is largely based on taxes on the price of airline tickets. This system does not have a direct relationship between the taxes paid by users and the air traffic control services provided by the FAA. Under the reauthorization proposal, FAA would collect user fees from commercial aviation operators for air traffic control (ATC) services. Implementing user fees for ATC services creates incentives to make the system more efficient and responsive to user needs. FAA would have the authority to collect the user fees that directly offset the cost of its operations; expenditure of the proceeds from these fees would be subject to the appropriations process. The Budget assumes FAA will implement its new financing system starting in 2010, and estimates FAA will collect \$8.6 billion in user fees during the first year.

2. Offsetting receipts

Department of Housing and Urban Development

Office of Federal Housing Enterprise Oversight. This proposal is discussed below in the section on the Federal Housing Enterprise Regulator.

B. Mandatory User Charge Proposals

1. Offsetting collections

Department of Labor

Pension Benefit Guaranty Corporation (PBGC) premiums. While the Deficit Reduction Act of 2005 and the Pension Protection Act of 2006 made significant structural changes to the retirement system, they did not fully address the long-term challenges facing PBGC. Further reforms are needed to address the current \$14 billion gap between PBGC's liabilities and its assets. The Budget proposes to give PBGC's Board the authority to raise premiums to produce the revenue necessary to meet expected future claims and retire PBGC's deficit over ten years. Under this proposal, PBGC's Board would have the flexibility to make a broad range of changes to premiums in order to improve PBGC's financial condition and safeguard the future benefits of American workers. The Administration is committed to restoring the solvency of the pension insurance system and avoiding a future taxpayer bailout.

Federal Housing Enterprise Regulator

Government-Sponsored Enterprises (GSE) regulatory fee. The Administration will again propose broad reform of the supervisory system for GSEs in the housing market. Fees currently collected by the Office of Federal Housing Enterprise Oversight in the Department of Housing and Development and the Federal Housing Finance Board would instead be collected by a new housing GSE safety and soundness regulator. For additional information, see the "Credit and Insurance" chapter in this volume.

Federal Housing Finance Board

Federal Home Loan Bank fees. This proposal is discussed above in the section on the Federal Housing Enterprise Regulator.

2. Offsetting receipts

Department of Agriculture

Food Safety and Inspection Service (FSIS) user fees. This Budget proposes two new user fees, a licensing fee and a performance fee. These two fees do not try to completely offset a specific portion of the Food Safety and Inspection Services operational expenses. The recommended fees, estimated to be \$96 million in the first year, include:

- \$92 million for a licensing fee scaled to the size of the operation, and
- \$4 million for a performance fee. Plants that have resampling and retesting due to positive samples, recalls, or are linked to outbreaks would pay a fee to FSIS for each incident.

Grain Inspection, Packers, and Stockyards Administration (GIPSA) user fees. The Administration proposes to establish a fee to cover the cost associated with GIPSA's standardization activities and a licensing fee to cover the cost associated with administering meat packers and stockyards activities.

Animal and Plant Health Inspection Service user fees. The Administration proposes to establish user fees for animal welfare inspections for animal research facilities, carriers, and in-transit handlers of animals, and for individuals or companies who need a license to market a veterinary biologic and for permits for biotechnologically derived products.

Agricultural Marketing Service (AMS) inspection and grading services. Country of Origin Labeling (COOL) becomes mandatory for all covered commodities on September 30, 2008. Currently, AMS operates a small COOL enforcement program for fish and shellfish compliance (the only commodities where labeling is now required). As part of the 2009 Budget, the agency will propose to charge a mandatory fee for the full implementation of a complete COOL enforcement program for the following commodities, in addition to the current fish and shellfish items: muscle cuts of beef (including veal), lamb, and pork; ground beef, ground lamb and ground pork; perishable agricultural commodities; and peanuts. Additional commodities may also be considered. The additional funds will be deposited into the agency's existing trust account.

Federal crop insurance fees. The Administration proposes to implement a participation fee in the Federal crop insurance program to fund modernization and future maintenance of the existing information technology (IT) system. The fee would be charged to insurance companies participating in the Federal crop insurance program based on a rate of about one-half cent per dollar of premium sold. Because it is the companies that will most benefit from better, more advanced computer systems, it is reasonable that they contribute to the modernization and maintenance of these systems.

Department of Health and Human Services: Food and Drug Administration (FDA)

Re-inspection fees. FDA conducts post-market inspections of food, human drug, biologic, animal drug and feed, and medical device manufacturers to assess their compliance with Good Manufacturing Practice requirements. The Administration proposes new fees that would be assessed for repeat inspections due to violations found during the first inspection.

Food and animal feed export certification fees. FDA collects user fees for the issuance of export certifications for human and animal drugs, and medical devices as authorized by the Federal Food, Drug, and Cosmetic Act. The Administration proposes to expand FDA's authority to collect user fees for the issuance of export certificates for foods and animal feed. Timely issuance of food/feed export certificates funded through user fees would improve the ability of food and animal feed producers to export their products.

Centers for Medicare and Medicaid Services

Additional Medicare premiums. Medicare beneficiaries share in the costs of their health services through premiums, deductibles, and co-insurance. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) began to limit the growth in subsidies for certain higher-income beneficiaries. Beneficiaries who are most able to contribute to the costs of their coverage have more responsibility and ownership over their health care utilization and costs. In order to increase beneficiary knowledge about health care choices and costs, the Budget proposes to encourage greater individual responsibility for health care use and costs for high-income beneficiaries who are most able to contribute to the costs of their coverage.

Department of Homeland Security

Passenger security fee surcharge to fund baggage screening systems. The President's Budget proposes a temporary, four-year surcharge on the passenger security fee of \$0.50 per enplanement with a maximum increase of \$1.00 per one-way trip. The additional fee collections of an estimated \$426 million per year would be deposited in the Aviation Security Capital Fund to recapitalize checked baggage screening devices deployed immediately after September 11, 2001, and accelerate deployment of inline systems that will increase baggage throughput up to 300 percent.

Department of Housing and Urban Development (HUD)

Government-Sponsored Enterprises (GSE) oversight fees. Upon enactment of the Administration's proposal for a strengthened regulator for GSEs, the cost of HUD's responsibilities under the Federal Housing Enterprise Safety and Soundness Act of 1992, and amendments as proposed, would be assessed on Fannie Mae and Freddie Mac. These responsibilities include the establishment and enforcement of affordable housing goals for the GSEs, ensuring GSE compliance with fair housing laws, and providing consultation to the safety

and soundness regulator on the GSEs' new activities. The cost of these regulatory responsibilities is currently in the HUD salaries and expenses account as a non-reimbursable expense.

Department of the Interior

Arctic National Wildlife Refuge lease bonuses. The Budget includes a proposal to authorize the Department of the Interior to conduct environmentally responsible oil and gas exploration and development within a small area of the Arctic National Wildlife Refuge, sometimes referred to as the "1002 Area," located in northern Alaska. The Department of the Interior estimates that recoverable oil from this area is between 5.7 billion and 16 billion barrels. The Budget assumes that the first oil and gas lease sale would be held in 2010 and would result in an estimated \$7 billion in new revenues. All oil and gas revenues from the 1002 Area would be shared fifty percent with the State of Alaska, including the estimated \$6 million in annual rental payments. The Federal share of revenues would be deposited in the Treasury.

Require upfront payment of coal bonus bid receipts. The Budget proposes to amend the Mineral Leasing Act to change the current practice of allowing bonus bid payments for coal lease sales to be made over a five-year period. Instead, it would require the full payment to be made in the sale year, increasing near-term revenues, but reducing revenues in later years when deferred payments under the current system would otherwise be collected. Fifty percent of coal bonus bid revenues are currently provided to the States, so the proposal would have an identical impact on state revenues.

Amend Bureau of Land Management's (BLM) Federal land sale authority. The Administration will propose legislation to amend BLM's land sale authority under the Federal Land Transaction Facilitation Act (FLTFA) to: (1) allow BLM to use updated management plans to identify areas suitable for disposal; (2) allow a portion of the receipts to be used by BLM for restoration projects; (3) return 70 percent of the net proceeds from these sales to the Treasury; and (4) cap Department of the Interior receipt retention at \$60 million per year. BLM is currently limited to selling lands that had been identified for disposal in land use plans that were in effect prior to enactment of FLTFA. Use of the receipts is currently limited to the purchase of other lands for conservation purposes. The new receipts shown in this chapter reflect only a portion of the savings from this proposal; additional savings will be generated by redirecting receipts under the existing FLTFA authority to the Treasury. The amounts shown in Table 18-3 reflect receipts only and do not include related spending.

Department of Labor

Foreign labor certification fees. The 2009 Budget proposes legislation to establish cost-based user fees for new applications under the permanent and H-2B temporary foreign labor certification programs, and pro-

poses legislation to allow the Department to retain fees for applications under the H-2A temporary labor certification program and modify the fee to cover program costs. The fees would offset the State and Federal costs of administering these programs, and once fully implemented would eliminate the need for appropriations for this purpose. Upon enactment of the fee, requests for funding in the Foreign Labor Certification administration account would be adjusted accordingly.

Department of Veterans Affairs

Medical care fees. The President's Budget includes legislation to implement new or higher fees for non-disabled higher-income veterans (PL 7/8 veterans). These veterans will pay higher drug co-pays (from \$8 to \$15) and new income-based annual enrollment fees that start at \$250 for those with household incomes of \$50,000 and rise to \$750 for those with incomes of \$100,000 or greater. These proposals do not pertain to veterans who are considered among VA's core mission and the highest priority—those with service disabilities, lower incomes, or special needs. The Budget also includes technical correction language to ensure that current co-pays are charged to all eligible veterans equally and not reduced if a veteran has health insurance. These proposals will result in an additional \$379 million in estimated receipts for 2009.

Corps of Engineers—Civil Works

Additional recreation fees. The Corps of Engineers manages 4,300 recreation areas at 465 Corps projects (mostly lakes and reservoirs) on 12 million acres in 43 States at an annual cost of about \$300 million. The Administration re-proposes a recreation modernization ("RecMod") initiative that would encourage the collection of entrance fees (not currently authorized) and the creation of public/private partnerships to improve Corps recreation facilities and services at little or no cost to the Federal Government. The Corps would implement user fees and private/public partnerships selectively, at recreation areas where fees would be appropriate. Some Corps recreation areas are isolated and remote; raising fees there might not be productive. But others are integral parts of prosperous urban communities with valuable lake-front property. Those communities may decide to help upgrade the Corps recreation areas that their citizens enjoy to provide amenities that might not otherwise be available.

Environmental Protection Agency (EPA)

Pesticide user fees. EPA presently collects fees from entities seeking to register their pesticides and from entities with existing pesticides registered for use in the United States. The Administration proposes to better cover the costs of EPA's pesticide services by increasing collections of currently authorized, but soon to expire, pesticide user fees. Furthermore, the Federal Food, Drug, and Cosmetic Act requires EPA to collect fees for the establishment and reassessment of pesticide tolerances. However, collection of these fees has been blocked through 2012. The Administration proposes to

eliminate the prohibition and collect the tolerance fee in 2009. In addition, amendments to the Federal Insecticide, Fungicide, and Rodenticide Act require EPA to implement a new program to review all registered pesticides on a 15 year cycle to ensure that registrations reflect current science. EPA initiated this new Registration Review program in 2007. If EPA determines that a pesticide adversely impacts an endangered species during registration review, additional work is required to ensure adequate protections are implemented. The proposed increase in maintenance fees is designed to cover the incremental cost of this work.

Pre-manufacture notice user fees. EPA presently collects fees from chemical manufacturers seeking to bring new chemicals into commerce. These fees are authorized by the Toxic Substances Control Act and are subject to an outdated statutory cap. The Administration proposes to eliminate the cap so that EPA can recover a greater portion of the cost of the program.

Commodity Futures Trading Commission (CFTC)

Transaction fees. The CFTC is the only Federal financial regulator that does not derive its funding from the specialized entities it regulates. The Administration will propose legislation to collect a fee on the settlement of contracts on commodity futures, options on futures, and other transactions cleared by derivatives clearing organizations. The fees would be set at a level to equal the costs to the taxpayer of funding CFTC's Market Oversight and Clearing and Intermediary Oversight functions, an estimated \$96 million in 2009. Similar fees are already imposed on futures exchanges to fund the programs of the futures industry's self-regulatory organization, and will help to offset the deficit impact of general taxpayer funding of the CFTC's activities.

Federal Communications Commission

Spectrum license fee authority. To continue to promote efficient spectrum use, the Administration proposes legislation to provide the Federal Communications Commission with new authority to use other economic mechanisms, such as fees, as a spectrum management tool. The Commission would be authorized to set user fees on unauctioned spectrum licenses based on spectrum-management principles. Fees would be phased in over time as part of an ongoing rulemaking process to determine the appropriate application and level for fees. Fee collections are estimated to begin in 2008, and total \$4.1 billion through 2018.

Prospective ancillary terrestrial component spectrum license fees. The Administration proposes legislation to improve the management of hybrid terrestrial - satellite mobile communications spectrum licenses by setting a fee on the terrestrial authority of these integrated networks. Under current policy, these licenses are granted free of charge, though providers will compete with terrestrial wireless carriers that have purchased licenses at auction. Setting a fee on the Ancillary Terrestrial Component of Mobile Satellite Service licenses will help to ensure that the radio spectrum is put to its most highly valued use by promoting consideration of the

economic value of the spectrum, provide incentive for timely and robust network development, and improve equity relative to service providers that purchase their spectrum licenses in auctions. Receipts associated with this policy are estimated to begin in 2008, and total \$1.2 billion through 2018.

Extend spectrum auction authority. The Administration proposes legislation to extend indefinitely the authority of the FCC to auction spectrum licenses, which expires on September 30, 2011. The additional receipts associated with this permanent extension are estimated to total \$1.4 billion through 2018.

Domestic satellite spectrum auctions. The Administration proposes legislation to ensure that spectrum licenses for predominantly domestic satellite services are assigned efficiently and effectively through competitive bidding. Services such as Direct Broadcast Satellite and Satellite Digital Audio Radio Services were assigned by auction prior to a 2005 court decision that questioned this practice on technical grounds. By clarifying through legislation that auctions of licenses for these domestic satellite services are authorized, prior policy of the Federal Communications Commission will be restored. Auction receipts associated with this clarification are estimated to begin in 2008, and total \$593 million through 2018.

C. User Charge Proposals that are Governmental Receipts

Department of the Interior

Migratory bird hunting and conservation stamps. Federal migratory bird hunting and conservation stamps, commonly known as "Duck Stamps," were originally created in 1934 as the Federal licenses required for hunting migratory waterfowl. Today, ninety-eight percent of the receipts generated from the sale of these stamps (\$15 per stamp per year) are used to acquire important migratory bird breeding areas, migration resting places, and wintering areas. The land and water interests located and acquired with the Duck Stamp funds establish or add to existing migratory bird refuges and waterfowl production areas. The price of the Duck Stamp has not increased since 1991; however, the cost of land and water has increased significantly over the past 16 years. The Administration proposes to increase these fees to \$25 per stamp per year, effective beginning in 2009.

Department of Transportation: Federal Aviation Administration

Overflight fees. This proposed change is part of the Department of Transportation proposal discussed above for Federal Aviation Administration user fees.

Corps of Engineers—Civil Works

Inland waterways trust fund (net impact). Commercial barges that use the inland waterways now pay an excise tax of 20 cents per gallon on diesel fuel, which is deposited in the Inland Waterways Trust Fund. The tax does not raise enough revenue to cover the required 50 percent non-Federal share of the costs

that the Army Corps of Engineers is spending to construct, replace, expand, and rehabilitate the locks and dams and other features that make barge transportation possible on the inland waterways. To address this imbalance between receipts and expenditures, the

Administration proposes to phase out the current excise tax for inland waterways users and replace it with a more efficient user fee tied to the level of spending for inland waterways construction, replacement, expansion, and rehabilitation work.

OTHER OFFSETTING COLLECTIONS AND RECEIPTS

Table 18–4 shows the distribution of user charges and other offsetting collections and receipts from the public according to whether they are offsetting collections credited to expenditure accounts or offsetting receipts. The table shows that total offsetting collections and receipts from the public are estimated to be \$330.2 billion in 2009. Of these, an estimated \$183.3 billion are offsetting collections credited to expenditure accounts and an estimated \$146.9 billion are deposited in offsetting receipt accounts.

Information on the user charges presented in Table 18–4 is available in Tables 18–2 and 18–3 and the discussion that accompanies those tables. Major offsetting collections deposited in expenditure accounts that are not user charges include collections by the Commodity Credit Corporation fund in the Department of Agriculture, which are related to loans; collections from States to supplement payments in the supplemental security income program; and pre-credit reform loan repayments. Major offsetting receipts that are not user

charges include military assistance program sales and interest income.

Table 18–5 includes all offsetting receipts deposited in receipt accounts. These include offsetting receipts from the public (as summarized in Table 18–4) and also payments from one part of the Government to another, called intragovernmental transactions. These receipts are offset (deducted) from outlays in the Federal budget. In total, offsetting receipts are estimated to be \$782.1 billion in 2009: \$635.2 billion are intragovernmental transactions; and \$146.9 billion are from the public. The \$146.9 billion in offsetting receipts from the public consist of proprietary receipts from the public (\$136.6 billion) and offsetting governmental receipts (\$10.4 billion).

As noted above, offsetting collections and receipts by agency are also displayed in Table 21–1, which appears in Chapter 21, “Outlays to the Public, Gross and Net,” of this volume.

Table 18–4. OFFSETTING COLLECTIONS AND RECEIPTS FROM THE PUBLIC

(In billions of dollars)

	Actual 2007	Estimate	
		2008	2009
Offsetting collections (credited to expenditure accounts):			
User charges:			
Postal service stamps and other postal fees (off-budget)	73.9	77.0	78.3
Defense Commissary Agency	5.5	5.5	5.6
Employee contributions for employees and retired employees health benefits funds	9.4	9.9	10.6
Sale of energy:			
Tennessee Valley Authority	9.5	10.1	10.5
Bonneville Power Administration	3.3	3.2	3.5
All other user charges	36.4	41.5	48.8
Subtotal, user charges	138.0	147.2	157.2
Other collections credited to expenditure accounts:			
Commodity Credit Corporation fund	11.5	11.8	10.9
Supplemental security income (collections from the States)	4.3	4.5	4.7
Other collections	12.4	10.4	10.5
Subtotal, other collections	28.3	26.6	26.1
Subtotal, offsetting collections	166.3	173.9	183.3
Offsetting receipts (deposited in receipt accounts):			
User charges:			
Medicare premiums	50.3	54.4	57.1
Outer Continental Shelf rents, bonuses, and royalties	6.8	11.1	10.2
All other user charges	34.4	35.2	27.6
Subtotal, user charges deposited in receipt accounts	91.5	100.7	94.9
Other collections deposited in receipt accounts:			
Military assistance program sales	15.8	15.5	15.0
Interest income	16.0	16.9	15.8
All other collections deposited in receipt accounts	31.1	31.4	21.2
Subtotal, other collections deposited in receipt accounts	62.9	63.8	52.0
Subtotal, offsetting receipts	154.4	164.5	146.9
Total, offsetting collections and receipts from the public	320.7	338.4	330.2
Total, offsetting collections and receipts excluding off-budget	246.7	261.3	251.8
ADDENDUM:			
User charges that are offsetting collections and receipts ¹	229.5	248.0	252.1
Other offsetting collections and receipts from the public	91.2	90.4	78.1
Total, offsetting collections and receipts from the public	320.7	338.4	330.2

¹ Excludes user charges that are classified on the receipts side of the budget. For total user charges, see Table 18.1 or Table 18.2.

Table 18-5. OFFSETTING RECEIPTS BY TYPE

(In millions of dollars)

Source	2007 Actual	Estimate					
		2008	2009	2010	2011	2012	2013
INTRAGOVERNMENTAL TRANSACTIONS:							
On-budget receipts:							
Federal intrafund transactions:							
Distributed by agency:							
Interest from the Federal Financing Bank	737	699	858	1,110	1,299	1,544	1,721
Proposed Legislation (Non-PAYGO)			-15	-62	-143	-251	-385
Interest on Government capital in enterprises	1,957	1,455	1,529	752	775	803	835
Interest received by retirement and health benefits funds	191	165	175	186	201	220	240
General fund payments to retirement and health benefits funds:							
Employees health benefits fund	5,400	5,600	5,400	5,500	5,500	5,600	5,600
DOD retiree health care fund	19,653	17,734	19,175	20,767	22,542	24,471	26,536
Miscellaneous Federal retirement funds	345	357	423	520	483	485	468
Other	6,931	4,378	4,860	5,380	5,869	6,032	6,721
Undistributed by agency:							
Employing agency contributions							
DOD retiree health care fund	11,548	11,496	10,676	12,919	13,810	14,720	15,636
Subtotal, Federal intrafund transactions	46,762	41,884	43,081	47,072	50,336	53,624	57,372
Trust intrafund transactions:							
Distributed by agency:							
Payment to railroad retirement (from off-budget)	5,411	5,388	5,590	5,928	6,300	6,201	6,593
Other	1	1	6	6	6	6	6
Subtotal, Trust intrafund transactions	5,412	5,389	5,596	5,934	6,306	6,207	6,599
Subtotal, intrafund transactions	52,174	47,273	48,677	53,006	56,642	59,831	63,971
Interfund transactions:							
Distributed by agency:							
Federal fund payments to trust funds:							
Contributions to insurance programs:							
Military retirement fund	26,048	46,187	47,919	49,717	51,581	53,515	55,523
Supplementary medical insurance	179,183	181,032	193,263	202,304	219,366	227,564	254,325
Proposed Legislation (Non-PAYGO)			-1,804	-3,625	-5,331	-6,955	-8,615
Hospital insurance	11,355	13,273	16,244	16,933	18,225	19,677	21,937
Railroad social security equivalent benefit fund	131	140	164	174	186	203	223
Rail industry pension fund	329	306	339	352	365	379	392
Civilian supplementary retirement contributions	31,303	30,531	31,310	32,110	32,699	33,499	34,501
Unemployment insurance	756	750	786	802	933	884	848
Other contributions	850	937	895	899	863	842	829
Other payments:							
Miscellaneous payments	1,506	1,433	1,537	1,468	1,470	1,461	1,453
Proposed Legislation (Non-PAYGO)			2,710				
Trust fund payments to Federal funds							
Other	18,825	1,858	1,900	1,958	2,007	2,067	2,117
Proposed Legislation (Non-PAYGO)			2,288	-411	-398	-392	-388
Undistributed by agency:							
Employer share, employee retirement (on-budget):							
Civil service retirement and disability insurance	14,480	14,664	15,955	17,392	19,017	20,694	22,957
Proposed Legislation (Non-PAYGO)			2	8	15	23	31
CSRD from Postal Service	2,883	3,600	3,865	4,144	4,434	4,736	5,048
Hospital insurance (contribution as employer)	2,826	2,931	3,007	3,105	3,254	3,340	3,505
Postal Service contributions to FHI	712	767	799	835	874	916	959
Military retirement fund	16,817	17,702	19,523	19,841	20,583	21,388	22,092
Other federal employees retirements	210	195	197	200	202	204	207
Interest received by on-budget trust funds	71,964	83,527	86,957	88,706	92,369	95,699	99,835
Proposed Legislation (Non-PAYGO)			122	610	1,716	3,423	5,524
Subtotal, Interfund transactions	380,178	399,833	427,978	437,522	464,430	483,167	523,303
Subtotal, On-budget receipts	432,352	447,106	476,655	490,528	521,072	542,998	587,274

Table 18-5. OFFSETTING RECEIPTS BY TYPE—Continued

(In millions of dollars)

Source	2007 Actual	Estimate					
		2008	2009	2010	2011	2012	2013
Off-budget receipts:							
Interfund transactions:							
Distributed by agency:							
Federal fund payments to trust funds:							
Old-age, survivors and disability, insurance	19,325	18,725	22,887	25,326	27,484	30,251	33,622
Undistributed by agency:							
Employer share, employee retirement (off-budget)	12,299	13,087	13,784	14,551	15,543	16,281	17,317
Interest received by off-budget trust funds	106,003	114,311	121,864	131,441	142,233	154,719	167,659
Proposed Legislation (Non-PAYGO)							-397
Proposed Legislation (PAYGO)			-14	-52	-62	-68	-67
Subtotal, Off-budget receipts	137,627	146,123	158,521	171,266	185,198	201,183	218,134
Subtotal, Intragovernmental Transactions	569,979	593,229	635,176	661,794	706,270	744,181	805,408
PROPRIETARY RECEIPTS:							
Distributed by agency:							
Interest and dividends:							
Interest on foreign loans and deferred foreign collections	190	107	107	107	107	107	107
Interest on deposits and loan accounts	1,174	1,026	866	901	928	930	930
Proposed Legislation (PAYGO)			10	10	10	10	10
Other interest	10,394	12,799	13,420	14,226	15,195	16,197	17,225
Dividends and other earnings	4,248	2,953	1,436	1,487	1,524	1,525	1,513
Subtotal, Interest and dividends	16,006	16,885	15,839	16,731	17,764	18,769	19,785
Royalties and rents:							
Royalties and rents	4,129	4,665	4,836	5,333	5,614	5,904	6,011
Proposed Legislation (PAYGO)			719	1,304	-146	-1,061	-501
Subtotal, Royalties and rents	4,129	4,665	5,555	6,637	5,468	4,843	5,510
Sale of products:							
Sale of timber and other natural land products	162	250	230	237	247	272	298
Sale of minerals and mineral products	56	159	86	89	94	96	100
Sale of power and other utilities	648	697	627	675	630	622	648
Proposed Legislation (PAYGO)			17	207	17	17	17
Other	98	121	115	102	122	119	105
Proposed Legislation (PAYGO)			-8	-8	-8	-8	-8
Subtotal, Sale of products	964	1,227	1,067	1,302	1,102	1,118	1,160
Fees and other charges for services and special benefits:							
Medicare premiums and other charges	50,273	54,401	57,098	59,054	62,167	66,199	72,035
Proposed Legislation (PAYGO)			-13	-115	-272	-339	-286
Nuclear waste disposal revenues	754	766	764	764	767	769	771
Veterans life insurance (trust funds)	139	127	118	108	99	89	77
Other services and special benefits	11,465	11,196	11,634	12,164	12,807	13,476	14,349
Proposed Legislation (Non-PAYGO)			34	34	34	34	34
Proposed Legislation (PAYGO)			692	824	826	883	904
Subtotal, Fees and other charges for services and special benefits	62,631	66,490	70,327	72,833	76,428	81,111	87,884
Sale of Government property:							
Military assistance program sales (trust funds)	15,833	15,508	15,011	12,462	12,687	12,915	13,147
Sale of land and other real property	146	298	242	387	193	200	207
Proposed Legislation (PAYGO)			-15	-13	20	20	21
Other sales of government property	204	220	232	130	131	115	115
Subtotal, Sale of Government property	16,183	16,026	15,470	12,966	13,031	13,250	13,490
Realization upon loans and investments:							
Negative and downward reestimates	12,827	12,882	1,195	891	870	833	903
Proposed Legislation (Non-PAYGO)			-462	-444	-447	-445	-443
Proposed Legislation (PAYGO)			1,591	6	1	1	1
Other realization upon loans and investments	72	63	76	76	76	76	76
Subtotal, Realization upon loans and investments	12,899	12,945	2,400	529	500	465	537

Table 18-5. OFFSETTING RECEIPTS BY TYPE—Continued

(In millions of dollars)

Source	2007 Actual	Estimate					
		2008	2009	2010	2011	2012	2013
Recoveries and refunds:							
Recoveries and refunds	13,104	13,698	13,854	14,396	14,424	14,920	15,369
Proposed Legislation (Non-PAYGO)				67	140	146	151
Proposed Legislation (PAYGO)			1	477	517	378	386
Subtotal, Recoveries and refunds	13,104	13,698	13,855	14,940	15,081	15,444	15,906
Miscellaneous receipt accounts:							
Miscellaneous receipt accounts	1,500	1,822	1,864	1,876	1,889	1,901	1,913
Proposed Legislation (PAYGO)			14	14	14	14	14
Subtotal, Miscellaneous receipt accounts	1,500	1,822	1,878	1,890	1,903	1,915	1,927
Subtotal, Distributed by agency	127,416	133,758	126,391	127,828	131,277	136,915	146,199
Undistributed by agency:							
Outer Continental Shelf escrow account	1						
Outer Continental Shelf rents and bonuses	694	4,762	1,437	955	662	616	532
Outer Continental Shelf royalties	6,069	6,358	8,672	9,270	9,994	9,652	10,857
Proposed Legislation (PAYGO)			50	50	50	50	50
Arctic National Wildlife Refuge—Proposed Legislation (PAYGO)				7,004	4	1,006	6
Sale of major assets						323	
Other undistributed offsetting receipts	6,850						
Subtotal, Undistributed by agency	13,614	11,120	10,159	17,279	10,710	11,647	11,445
Subtotal, Proprietary Receipts	141,030	144,878	136,550	145,107	143,987	148,562	157,644
OFFSETTING GOVERNMENTAL RECEIPTS:							
Distributed by agency:							
Regulatory Fees	6,365	7,301	7,281	7,423	7,630	7,768	7,918
Proposed Legislation (Non-PAYGO)			-67	-64	-65	-65	-70
Proposed Legislation (PAYGO)			521	521	521	521	95
Other	164	124	134	144	131	132	134
Proposed Legislation (PAYGO)			27	28	28	29	30
Subtotal, Distributed by agency	6,529	7,425	7,896	8,052	8,245	8,385	8,107
Undistributed by agency:							
Spectrum auction proceeds	6,850	11,850	2,158	100	100		
Proposed Legislation (PAYGO)		330	310	500	500	745	790
Subtotal, Undistributed by agency	6,850	12,180	2,468	600	600	745	790
Subtotal, Offsetting Governmental Receipts	13,379	19,605	10,364	8,652	8,845	9,130	8,897
Total offsetting receipts	724,388	757,712	782,090	815,553	857,102	901,873	971,949